

# Regulatory approach to multi-play bundles

CLEC Seminar - Electronic communications regulation and cable networks  
Cullen International, CRID (University of Namur), and ICRI (University of Leuven)

Brussels, 30 September 2010

Ulrich Stumpf

The presentations puts forward three issues:

- The character of multi-play will change
- The regulatory market definitions will need to be adapted
- The regulatory approach to multi-play will need to be reviewed

# The character of multi-play will change

- Current
  - Customers increasingly choose 2play and 3play offers
  - Focus on price advantage („mixed bundling“)
- Future ?
  - 3play becomes almost ubiquitous
  - Focus on technical integration and interactivity

# Regulatory market definitions will need to be adapted

- Current
  - Separate retail markets for telephony, broadband, television
    - Distinct demand for individual services
    - Customers would „unpick“ 2play or 3play in case of a SSNIP
- Future ?
  - Distinct relevant retail market for 3play
    - Little distinct demand for individual services any more
    - Customers would not „unpick“ 3play in case of a SSNIP

# Regulatory market approach to multi-play will need to be reviewed

- Current (1)
  - Market-by-market regulation of incumbents
    - Wholesale remedies for telephony and broadband
    - Retail remedies limited to telephony access
  - Additional regulation of incumbent 2play
    - To avoid foreclosure of individual retail markets
    - Not unreasonably bundle telephony access with broadband (margin squeeze & predation test on 2play)
    - How NRAs trigger the regulation

# Regulatory market approach to multi-play will need to be reviewed

- Current (2)
  - Additional regulation of incumbent 3play
    - Depends on whether retail TV is multi-platform & competitive
    - If not, additional regulation of incumbent 3play
      - To avoid foreclosure of individual retail markets
      - Multicast WBA
      - Not unreasonably bundle telephony access/broadband with IPTV (margin squeeze & predation test on 3play)
      - How NRAs may trigger the regulation

# Regulatory market approach to multi-play will need to be reviewed

- Current (3)
  - Could there also be regulation of cable 3play?
    - Not unreasonably bundle cable TV with telephony access/broadband (margin squeeze & predation test on 3play)
    - Why NRAs may (not) have a trigger

# Regulatory market approach to multi-play will need to be reviewed

- Future ?
  - Review of the regulatory approach to multi-play
    - A distinct retail market for 3play
    - 2 fully vertically integrated 3play suppliers
  - Review of markets susceptible to regulation
    - Requires a new assessment of replicability in the value chain + a new cascade of 3-criteria tests
    - Add retail 3play market to Relevant Markets Recommendation?  
Or is wholesale regulation + competition law sufficient?
  - Review of NRAs' market analysis
    - How NRAs may (not) trigger the regulation of 3play



Ulrich Stumpf  
WIK-Consult GmbH  
Postfach 2000  
53588 Bad Honnef  
Deutschland  
Tel +49 160 96312745  
eMail [u.stumpf@wik-consult.com](mailto:u.stumpf@wik-consult.com)